



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGIONS 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

DEC 14 2005

REPLY TO THE ATTENTION OF

B-19J

Richard Hargis
NEPA Document Manager
National Energy and Technology Laboratory
U.S. Department of Energy
626 Cochrans Mill Road - P.O. Box 10940
Pittsburgh, PA 15236-0940

RE: Mesaba Energy Project – Comments on the Environmental Impact Statement Scope

Dear Mr. Hargis:

The U.S. Environmental Protection Agency wishes to offer comments on the scope of the Environmental Impacts Statement (EIS) for the proposed Mesaba Energy Project. The proposed project, which is financially supported by the Department of Energy (DOE) Clean Coal Power Initiative Program (CCPI), is a coal gasification combined cycle electric generating facility in the northern Minnesota Iron Range area. In addition to the electric generating facilities, the project also includes high voltage transmission infrastructure (some of which exists already), intakes from and discharges to surface waters, gas pipeline connections, and connections to road and rail road corridors. We realize the Notice of Intent (NOI) in the Federal Register gave the comment deadline as November 14, 2005. We apologize for the lateness of these comments. We hope your agency will consider these comments and find them useful for planning the EIS. For the most part, our comments are general, given that the project background and information in the NOI is general. Most of our comments apply to all media, such as water, air, wetlands, land resources, and wildlife, as well as impacts to regional economics and population. In some cases as noted, however, the comments are specific to an environmental resource.

We concur with the general list of environmental issues in the NOI, and recommend that all be retained for analysis. The U.S. EPA encourages a thorough evaluation of all environmental impacts. Because the proposed project is a coal-fired power plant, careful analysis of impacts to air quality and Class I areas is of particular importance. In addition to the list in the NOI, we suggest that the EIS also describe the use and management of hazardous and non-hazardous materials, and discuss potential impacts from these sources and activities.

The NOI notes that the nature of this demonstration project and the program under which it is funded constrain the purpose, location, and alternatives that will be evaluated. That is, the purpose of the project is to demonstrate this technology. Furthermore, the NOI states that the

CCPI program limits DOE's role to approving or disapproving the project as proposed by the applicant. The NOI also notes that the Excelsior Energy, the applicant, has incentives from the state to locate the project in the Taconite Tax Relief Area in northeastern Minnesota. We nevertheless encourage the DOE to carefully evaluate the footprint of each alternative and location to determine the least amount of impact from plant location, storage piles, rail spurs, and every other aspect of the project. There may be alternatives and opportunities within the applicant's locations to minimize impacts.

We strongly suggest that the EIS thoroughly analyze cumulative impacts resulting from this project. The EIS should include past, present and reasonably foreseeable actions in the area. For instance, we note there are several large new projects proposed in the Iron Range, including the PolyMet mine and facilities, the proposed Minnesota Steel Industries taconite mine and steel mill, and the Mesaba Nugget operation near Hoyt Lakes. The DOE's cumulative analysis should evaluate the Mesaba Energy Project's contribution to overall impacts on resources in the area.

The Mesaba Energy Project EIS should describe potential secondary and indirect impacts from the addition of a new power plant in the area. For example, the EIS should assess whether the presence of the proposed plant and the power it generates will attract more industry or development to the area, and whether this development would further impact resources.

The NOI states that the proposed project will impact as many as 300 acres of wetlands. It also states that the final EIS will include a floodplain and/or wetlands analysis. Wetland characterization is a crucial part of the EIS. We strongly urge the DOE to characterize the types and locations of wetlands in the project area and quantify the potential impacts for presentation in the draft EIS. The type and location of specific wetlands may have a great bearing on decisions about plant locations, infrastructure location, and location of structures such as storage tanks, stockpiles, or waste storage within the site footprint. The EIS should discuss options to avoid, minimize, and mitigate wetlands impacts, in anticipation of the project needing a wetland fill permit under Section 404 of the Clean Water Act.

The U.S. EPA declined formal cooperating agency status via letter dated October 17, 2005. We will, of course, review future environmental documents for the Mesaba Energy Project in accordance with our authority under NEPA and Section 309 of the Clean Air Act. Thank you for providing information on the project. If you need further assistance, please contact Anna Miller of my staff at (312) 886-7060 or at miller.anna@epa.gov.

Sincerely,



Kenneth A. Westlake
Chief, NEPA Implementation Section



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DEC 21 2005

REPLY TO THE ATTENTION OF:

B-19J

Christopher Childs
Chair, Clean Air Committee
Sierra Club
2327 East Franklin Avenue
Minneapolis, Minnesota 55406

RE: Mesaba Energy Project Environmental Impact Statement

Dear Mr. Childs:

Thank you for your letter, dated November 15, 2005, expressing the Sierra Club's concerns about the Mesaba Energy Project, a proposed coal gasification combined cycle electric generating facility in northern Minnesota's Iron Range area. The proposed project is financially supported by the U.S. Department of Energy's (DOE) Clean Coal Power Initiative Program. As you are aware, the DOE, in partnership with the Minnesota Department of Commerce, is preparing the Environmental Impact Statement (EIS) for this project under the National Environmental Policy Act (NEPA). The DOE recently published a request for public input to the EIS scope in the Federal Register. We note that your letter, which was addressed also to the DOE and the Minnesota Pollution Control Agency (MPCA), comments on the scope of the project EIS and requests that the U.S. Environmental Protection Agency (U.S. EPA) and the MPCA become formal cooperating agencies under NEPA for this project.

U.S. EPA undertakes cooperating agency status on select projects only, due to workload constraints and project circumstances. We have elected not to take on a cooperating agency role on the Mesaba Energy Project. U.S. EPA will, of course, review draft and final EIS documents in accordance with our authority under NEPA and Section 309 of the Clean Air Act. In addition, the facility's construction and operation would be covered under the Clean Water Act and the Clean Air Act (CAA), as well as other State and federal regulations. In particular, the proposed plant would be subject to the CAA New Source Review program. The State of Minnesota administers air, water and waste handling programs, with the U.S. EPA maintaining an oversight role.

We appreciate hearing your concerns about this project. U.S. EPA will give this proposed project a thorough review and evaluation when we receive its environmental documentation. If you need further assistance, please contact Anna Miller of the NEPA Implementation Section at (312) 886-7060 or at miller.anna@epa.gov.

Sincerely,

ORIGINAL SIGNED BY

JERRI ANNE GARL

Jerri-Anne Garl

Director, Office of Science, Ecosystems and Communities

cc: Richard Hargis, M/S 922-342C ✓
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Sheryl Corrigan, Commissioner
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